



February 22, 2007

Grand jury alleges a multi-state steroid distribution conspiracy

A federal grand jury in Providence has alleged that a New York doctor, a discredited New York doctor, and the owner of a New Jersey pharmaceutical company operated a scheme to illegally prescribe anabolic steroids and human growth hormones for body builders and other customers in Rhode Island and elsewhere.

United States Attorney Robert Clark Corrente, George P. Hemmer, Jr., Special Agent in Charge of the Food and Drug Administration, Office of Criminal Investigations, Douglas A. Bricker, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation, June W. Stansbury, Special Agent in Charge of the Drug Enforcement Administration, and Peter Zegarac, Inspector in Charge of the Postal Inspection Service jointly announced an 80-count indictment that alleges illegal drug distribution, health care fraud, and money laundering. The grand jury returned the indictment yesterday in U.S. District Court, Providence.

The indictment charges **Daniel McGlone**, 54, of North Brunswick, New Jersey, and **Ana Maria Santi**, 68, of Queens, New York. **Victor Mariani**, a New York physician, is named in the indictment but charged separately with participating in the same conspiracy.

American Pharmaceutical Group

According to the indictment, between April 2004 and last August, McGlone, through his business, American Pharmaceutical Group, advertised anabolic steroids and human growth

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hormones in magazines, Web sites, and other media that marketed to body builders. The indictment alleges that McGlone, who does not have a license to practice medicine, advised potential customers about what drugs to request, depending on their stated goals about body building and other activities.

The indictment alleges that, after he obtained orders from customers, McGlone requested Santi, Mariani, and others to write prescriptions for steroids or human growth hormones that McGlone's customers wanted. Without examining or seeing the customers, Santi or Mariani allegedly wrote the prescriptions and sent them to McGlone. He forwarded the prescriptions to various pharmacies across the country, which delivered the drugs to McGlone's customers. Either the customer or the pharmacy paid McGlone, and he paid Santi and Mariani out of his profit.

Omni Health Care

Santi, of Forest Hills, New York, was once a licensed physician, but New York revoked her medical license in 1999, according to the indictment. Through Omni Health Care, a medical company that she owned, Santi allegedly wrote prescriptions under the name of another physician, Abdul Almarashi, forging his signature on the prescriptions; Almarashi was retired and living in a California nursing home during the time period of the alleged conspiracy. Mariani, of Briarwood, New York, was a licensed physician who had a practice located in Queens and Manhattan, according to the charges against him.

Federal drug laws tightly regulate the distribution of anabolic steroids, which are classified as controlled substances. Federal law prohibits the distribution or use of human growth hormone, except for certain specified medical uses.

Health care fraud

The indictment charges McGlone and Santi with conspiracy to distribute anabolic steroids and human growth hormones, ten counts of illegally distributing human growth hormone, 16 counts of illegally distributing anabolic steroids, and two counts of health care fraud. The health care fraud charges allege that McGlone and Santi defrauded Blue Cross Blue Shield of Rhode Island in connection with payments it made for prescriptions sent to customers that it insured.

Money laundering

The indictment also charges McGlone with 51 counts of money laundering, each alleging that he transferred illegally obtained money out of an American Pharmaceutical Group bank account. The indictment also seeks the forfeiture of money allegedly traced to the crimes: \$860,810 from McGlone, and \$24,340 from Santi. It also seeks forfeiture from McGlone of \$85,535 for the alleged money laundering.

An information filed on February 14 in U.S. District Court, Providence, charges Mariani, of Briarwood, New York, with one count of conspiracy to distribute human growth hormones and steroids, 11 counts of distributing human growth hormones, and 14 counts of illegally distributing anabolic steroids. It also seeks the forfeiture of \$34,845 from Mariani.

Mariani was arraigned yesterday in U.S. District Court, Providence, and pleaded not guilty. U.S. Magistrate Judge Lincoln D. Almond released him on unsecured bond, pending a hearing scheduled for March 9 before U.S. District Court Judge William E. Smith. Mariani has signed an agreement to plead guilty to the charges.

Federal agents arrested McGlone today at his home in North Brunswick, New Jersey. Santi is in state custody in New York on charges not related to this case.

An indictment or information is merely an accusation, and a defendant is presumed innocent unless and until proven guilty. The maximum penalties for the offenses charged are: conspiracy to distribute human growth hormones and anabolic steroids, distributing human growth hormones, and distributing anabolic steroids – five years imprisonment and a \$250,000 fine; health care fraud – ten years imprisonment and a fine of \$250,000 or twice the amount of gain or loss; money laundering – 20 years imprisonment and a fine of up to \$500,000 or twice the amount of gain or loss.

The charges resulted from an investigation by the **Food and Drug Administration Task Force**, the **Internal Revenue Service, Criminal Investigation**, the **U.S. Postal Investigation Service**, and the **Drug Enforcement Administration**.

Assistant U.S. Attorney Adi Goldstein is prosecuting the case.

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